

**DARPA STTR Phase II  
CHECKLIST**

1) Proposal Format

- a. Cover Sheet/ Project Summary (identify topic number)  
(register at <http://www.dodsbir.net/submission>) \_\_\_\_\_
- b. Identification and Significance of Problem or Opportunity \_\_\_\_\_
- c. Phase II Technical Objectives \_\_\_\_\_
- d. Scope of Work (Phase II Work Plan) \_\_\_\_\_
- e. Related Work \_\_\_\_\_
- f. Relationship with Future Research or R&D \_\_\_\_\_
- g. Commercialization Strategy \_\_\_\_\_
- h. Key Personnel \_\_\_\_\_
- i. Facilities and Equipment \_\_\_\_\_
- j. Consultants \_\_\_\_\_
- k. Proposal Costs, \_\_\_\_\_
- l. Company Commercialization Report -  
(register at <http://www.dodsbir.net/submission>) \_\_\_\_\_
- m. Company Commercialization Report Prior SBIR/STTR Awards \_\_\_\_\_
- n. Agreement between the Small Business and Research Institution \_\_\_\_\_

3) Page Limitation

- a. Recommended maximum length is no more than 40 pages, excluding attachments,  
with a total for both not to exceed 80 pages. \_\_\_\_\_
- b. Company Commercialization Report is **not** counted against these 80 pages. \_\_\_\_\_
- c. Unnecessary attachments, appendices, or references will not be considered in the  
proposal evaluation. \_\_\_\_\_

4) Submission Requirements for Phase II Proposals

Electronic submission of Coversheets, Technical and Cost proposals, and Company Commercialization Report.  
A hardcopy is no longer required. Only proposals submitted through the on-line submission site at  
[www.DoDsbir.net/submission](http://www.DoDsbir.net/submission) will be accepted or considered for award.

## DARPA STTR PHASE II INSTRUCTIONS

Offeror must set forth full, accurate, and complete information as required by these instructions, including the attachments. The penalty for making false statements in offers is set forth in 18 U.S.C. 1001.

### **I. Type of Contract**

The preferred contract is a Cost Plus Fixed Fee contract. Phase II contractors must have an acceptable system to record and control costs, including procedures for job costing and time record keeping. Items such as overhead and G&A rates will require logical supporting documentation during the audit process. Failure to pass a DCAA audit will result in termination of contract negotiations.

It should be recognized that while the Small Business Technology Transfer (STTR) Program requires a small business and a research institution to undertake a project cooperatively, the Federal contract is with the small business. The small business, and not the research institution, is to provide satisfactory evidence that it will exercise management direction and control of the performance of the STTR funding agreement. Regardless of the proportion of the work or funding of each of the performers under the contract, the small business is to be the primary contractor with overall responsibility for its performance.

### **II. Proposal Submission**

#### **A. General Information**

Only those firms that have been awarded Phase I STTR contracts will be considered for a STTR Phase II contract. Additionally, STTR Phase II's must be invited by the appropriate DARPA Program Manager. Original cover sheet forms signed by an official empowered to commit the contractor, as well as an appropriate official of the research institution, should be submitted with the original proposal.

Phase II proposals will require a more comprehensive submittal than Phase I. Phase II proposals shall outline the proposed effort in detail. Phase II awards will typically cover a period of two (2) to five (5) person-years of effort and a period of time generally (24) months, subject to negotiation. STTR Phase II's can now be submitted at \$750K. The number of Phase II awards will depend on the Phase I results and the availability of funds.

DARPA is not obligated to make any awards under Phase II, and the Government is not responsible for any monies expended by the contractor before the award of any contract.

While there is no due date for submission of Phase II proposals, submission within sixty (60) days before completion of the Phase I contract is highly recommended to ensure the continuity of research.

#### **B. DoD Submission Site**

DARPA NOW requires electronic submission of Coversheets, Technical and Cost proposals, and Company Commercialization Report. A hardcopy is no longer required. Only proposals submitted through the on-line submission site at [www.DoDsBir.net/submission](http://www.DoDsBir.net/submission) will be accepted or considered for award.

**PLEASE DO NOT ENCRYPT OR PASSWORD PROTECT YOUR TECHNICAL PROPOSAL. DARPA evaluators are not required to evaluate a proposal if the proposer does not follow the Proposer Information Package instructions.**

#### **HELPFUL HINTS:**

Consider the file size of the technical proposal to allow sufficient time for uploading.

1. Perform a virus check.
2. Consider the file size of the technical proposal to allow sufficient time for uploading.
3. Signature is no longer required at the time of submission.
4. Submit a new/updated Company Commercialization Report.
5. Please call the Toll Free SBIR Help Desk if you have additional questions or for submission problems: 866-724-7457
6. DARPA will not accept proposal submissions by electronic facsimile (fax) or email.

### **III. Cost and Pricing Data**

An on-line cost proposal form can be found at the DoD submission site for your use. The use of this form is optional.

### **IV. Modifications or Withdrawal of Proposals**

#### **A. Modification**

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A late modification of an otherwise successful proposal which makes its terms more favorable to the Government will be considered and may be accepted.

### **B. Withdrawal**

Proposals may be withdrawn by written notice or a e-mail received at any time. Proposals may be withdrawn in person by an offeror or his authorized representative, provided his identity is made known and he signs a receipt for the proposal.

### **V. Proposal Requirements and Preparation Instructions**

A Phase II proposal must provide sufficient information to convince the Government that the proposed continuation of work represents a likely solution to the scientific or engineering problem and is worthy of support. The overall program research objectives, as well as the Phase II objectives, shall be described in sufficient detail to relate the objectives to the expected results.

**End user transition** and commercialization plans are also required. Phase I results shall be stated in the context of Phase II objectives. Objectives shall be defined to include milestones, deliverables, applications, restrictions, etc.

Warning -- While it is permissible with proposal notification to submit identical proposals or proposals containing a significant amount of essentially equivalent work for consideration under numerous federal program solicitations, it is unlawful to enter into contracts or grants funding essentially equivalent efforts. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award.

If a Phase II proposal is substantially the same as one already submitted, has been previously funded, or is either funded by, pending with, or about to be submitted to another separate action, the proposer **MUST** so indicate and provide the information below:

1. The name and address of the agency(ies) or DoD Component(s) to which a proposal(s) was submitted, or will be submitted, or from which an award is expected or has been received.
2. Date of proposal submission or the date of award.
3. Title of proposal.
4. Name and title of principal investigator for each proposal submitted or award

received.

5. Title, number, and date of solicitation(s) under which the proposal was or will be submitted, or under which award is expected or has been received.
6. If an award was received, state the contract number.
7. Specify the applicable topics for each pending SBIR/STTR proposal submitted or award received.

### **VI. Eligibility, Limitations, and Definitions**

Each proposer must qualify as a small business for research or research and development (R&D) purposes as defined in the DoD STTR Program Solicitation and certify to this on the cover sheet of the proposal. In addition, a minimum of 40-percent (40%) of each STTR project must be carried out by the small business concern and a minimum of 30-percent (30%) of the effort must be performed by the research institution, as defined in the DoD STTR Program Solicitation.

A small business concern must negotiate a written agreement between the small business and the research institution allocating intellectual property rights. The agreement should state that the small business concern retains the rights to conduct any continuation of research, development, or commercialization, to include non-STTR follow-on awards. This is due before contract award.

The research or R&D must be performed by the small business concern in the U.S., including the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

Joint ventures and limited partnerships are permitted for the small business portion, provided that the entity created qualifies as a small business in accordance with the Small Business Act, 15 USC 631, and the definition included in the DoD STTR Program solicitation.

### **VII. General Content and Proposal Format**

Phase II proposers must submit a direct, concise, informative research or R&D proposal (typed with elite or larger print on standard 8 1/2" x 11" paper). The recommended maximum length is no more than forty (40) pages, excluding attachments, with a total for both not to exceed eighty (80) pages. Promotional and non-project related items are discouraged. Include all items listed below in the order given. The space

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allocated to each will depend on the problem chosen and the principal investigator's approach. Unnecessary attachments, appendices, or references will not be considered in the proposal evaluation. The proposal should emphasize potential commercial applications of the R&D.

The small business concern and the appropriate official of the research institution on the cover sheet must certify jointly that:

1. The proposing firm meets the definition of small business concern found in Section 2.3.
2. The proposing institution meets the definition of research institution found in Section 2.4.
3. The proposed STTR project meets the definition of cooperative research and development as defined in Section 2.2 of the DoD STTR Program Solicitation.

Regardless of the proportion of the proposed project to be performed by each party, the small business concern will be the primary party that will exercise management direction and control of the performance of the STTR award. An Agreement has been signed by both the small business and research institution.

At the time of the award, the small business concern will have at least one employee in a management position whose primary employment is with the small business and who is not also employed by the research institution.

If the research institution is a contractor-operated Federally funded research and development center (FFRDC), the appropriate official signing for the contractor-operated FFRDC certifies additionally that it:

1. Is free from organizational conflicts of interests relative to the STTR program.
2. Did not use privileged information gained through work performed for an STTR agency or private access to STTR agency personnel in the development of this STTR proposal.
3. Used outside peer review as appropriate, to evaluate the proposed project and its performance therein.

### VIII. Coversheet/Project Summary

The technical abstract should include a brief description of the project objective and a description of the effort. Anticipated benefits and commercial applications of the proposed research

or R&D should also be summarized in the space provided. Due to the possibility of publication, the Project Summary must not contain proprietary or classified information.

#### A. Identification and Significance of the Problem or Opportunity

Briefly reference the specified technical problem or opportunity addressed in Phase I and its relationship to Phase II.

#### B. Phase II Technical Objectives

Briefly enumerate the specific objectives of the Phase II work, including any results from Phase I which clearly relate to the objectives.

#### C. Scope of Work (Phase II Work Plan)

The scope of work shall be the major portion of the proposal and must clearly show advancement in the research appropriate for Phase II. It shall provide an explicit, detailed description of the objectives and tasks of the planned effort. The plan shall indicate not only what is planned, but how and where the work will be carried out. Phase II efforts shall attempt to accomplish the technical feasibility demonstrated in Phase I, including transition of the results to the private sector.

#### D. Related Work

Describe significant activities directly related to the proposed effort, including any conducted by the principal investigator, the proposing firm, consultants, or others. Describe how these activities interface with the proposed project and discuss any planned coordination with other sources. The proposal must persuade reviewers of the proposer's awareness of the state-of-the-art in the specific topic.

Describe previous work not directly related to the proposed effort but similar. Provide the following:

1. Short description
2. Client for which work was performed (including individual to be contacted and phone number)
3. Date of completion

#### E. Relationship with Future Research or R&D

State the anticipated results of the Phase II approach if the project is successful.

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### **IX. Commercialization Strategy**

All companies submitting Phase II proposals must prepare a two page commercialization strategy explaining how they expect to rapidly move the technology to widespread commercial (Government or private sector) use. The following points should be addressed:

1. List the first product incorporating your technology.
2. List your customers and estimate the size of your market.
3. List the amount of money needed to bring your technology to market, and how you intend to raise it.
4. Does your company contain marketing expertise, and if not, how do you intend to bring expertise into the company?
5. Who are your competitors, and what is your price and/or quality advantage over your competitors?

All Phase II STTR contracts entered into by DoD in FY1996 and thereafter, will require that the contractor report to DoD on its Phase III commercialization for FIVE years AFTER the completion of the Phase II effort.

### **X. Key Personnel**

Identify key personnel who will be involved in the Phase II effort, including information on directly related education and experience. A resume of the principal investigator, including a list of publications, if any, should be included.

### **XI. Facilities and Equipment**

Describe available instrumentation and physical facilities necessary to carry out the Phase II effort. Items to be purchased, as detailed in the cost proposal, shall be justified under this section. Also identify any Government Furnished Property (GFP) or Government Furnished Equipment (GFE) that will be needed for the Phase II effort. The contractor should provide an alternate cost for the GFP or GFE in case the Government is unable to provide it. If access to, or use of, any specific GFP or GFE is required, the contractor is responsible for ascertaining its availability and use.

### **XII. Consultants**

All subcontractors, including the research

institution partner, must be identified and described according to the guidelines enclosed. The STTR program may only make awards to small businesses; therefore the research institution must have a subcontracting arrangement with the small business. More than one subcontractor is allowed; however, the small business must perform at least 40% of the effort and the research institution must perform at least 30% of the work. Subcontractor costs must be detailed at the same level as prime contractor costs in accordance with the cost proposal (in regards to labor, travel, equipment, etc.). If consultants are involved, it should be described in detail and identified in the cost proposal.

### **XIII. Proposal Costs**

Estimated costs of the proposals shall be valid for a period of six (6) months from the submission date of the proposal. DARPA STTR Phase II awards are generally limited to \$750,000.

### **XIV. Company Commercialization Report**

All Phase II proposals must include a Company Commercialization Report that lists the name of awarding agency, date of award, contract number, topic or subtopic, title, and award amount for each Phase I and Phase II project awarded to the company. Additionally, for each Phase II project the following information must be provided:

1. The source and amounts of non-SBIR funding received for Phase III
2. The revenue from sales of new products in Phase III. Apportion the Phase III funding and sales revenue among the various Phase II products without double-counting. (This required proposal information shall not be counted toward proposal page count limitation.

### **XV. Company Commercialization Report on Prior SBIR Awards.**

Each small business firm submitting a Phase I or Phase II proposal is required to register at the following password-protected web site – <http://www.dodsbir.net/submission> – and, through this site, to report the quantitative commercialization results of the firm's prior Phase II projects. (Even firms that have not previously participated in SBIR must register.

The firm may also, at its option, attach to the back of the Report additional, explanatory material (no more than five pages) relating to the

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firm's record of commercializing its prior SBIR or STTR projects, such as: commercialization successes (in government and/or private sector markets) that are not fully captured in the quantitative results; any mitigating factors that could account for low commercialization; and recent changes in the firm's organization or personnel designed to increase the firm's commercialization success. The Summary Page, Report, and additional explanatory material (if any) will not be counted toward the 80-page limit for Phase II proposals.

A Report showing that a firm has received no prior Phase II awards will not affect the firm's ability to obtain an SBIR award. Firms may direct additional submission questions to the DoD SBIR Help Desk (866-724-7457) for assistance.

### **XVI. Agreement between the Small Business and Research Institution**

The small business concern and the research institution must develop a written agreement prior to a Phase I contract. This agreement must be submitted to the awarding agency. The agreement should state that the small business concern may conduct any further continuation of research to include non-STTR follow-on awards

1. Specifically the degree of responsibility and ownership of any product, process, or other invention or innovation resulting from the cooperative research.
2. The degree of responsibility shall include responsibility for expenses and liability, and the degree of ownership shall also include the specific rights to revenues and profits.
3. Which party may obtain U.S. or foreign patents or otherwise protect any inventions resulting from the cooperative research.

The Federal Government will not normally be party to any agreement between the small business concern and the research institution. Nothing in the agreement is to conflict with any provisions setting forth the respective rights of the United States and the small business with respect to intellectual property rights and with respect to any right to carry out follow-on research. All agreements between the small business and the research institution cooperating in the STTR projects, or any business plans reflecting agreements and responsibilities between the parties during the performance of Phase I or II, or for the commercialization of the resulting

technology, shall reflect the controlling position of the small business.

### **XVII. Special Provisions**

#### **A. Security Requirements**

If a proposed effort is classified or classified information is involved, the offeror must have, or obtain, a security clearance in accordance with the Industry Security Manual for Safeguarding Classified Information (DoD 5220.22M).

#### **B. Contract Data Requirements List (DD Form 1423)**

The DD Form 1423 is applicable to the proposed procurement.

#### **C. Method of Selection and Evaluation Criteria**

The Phase II proposal will be reviewed for overall merit based upon the criteria below. Each item will receive approximately equal weight, except for item (a), which will receive twice the value of any other item.

The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.

The qualifications of the proposed principal/key investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.

The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization.

A proposal's commercial potential can be evidenced by:

1. The small business concern's record of commercializing SBIR/STTR or other research, particularly as reflected in its Company Commercialization Report.
2. The existence of second phase funding commitments from private sector or non-SBIR/STTR funding sources.
3. The existence of third phase follow-on commitments for the subject of the research.
4. The presence of other indicators of

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commercial potential of the idea, including the proposer's commercialization strategy.

The follow-on funding commitment must provide that a specific amount of non-SBIR funds will be made available to or by the small business and indicate the dates the funds will be made available. It must also contain specific technical objectives, which if achieved in Phase II, will make the commitment exercisable by the small business. The terms cannot be contingent upon obtaining a patent due to the length of time this process requires. The funding commitment shall be submitted with the Phase II proposal.

The reasonableness of the proposed costs of the effort to be performed will be examined to determine those proposals that offer the best value to the Government. Where technical evaluations are essentially equal in merit, cost to the Government will be considered in determining the successful offeror.

Phase II proposal evaluation may include on-site visits by government personnel to evaluate results of the Phase I effort.

### **XVIII. Contractual Considerations**

#### **A. Reports**

Typical reports considered for this effort are as specified on the Document Summary List and Report Distribution List. The final contract data requirements will be subject to contract negotiations.

#### **B. Payment Schedule**

Payment will be made in accordance with General Provisions FAR 523.216-7, Allowable Cost and Payments.

#### **C. Copyrights**

To the extent permitted by statute, the awardee may copyright (consistent with appropriate national security considerations, if any) material developed with DoD support. DoD receives a royalty-free license for the Federal Government and requires that each publication contain an appropriate acknowledgement and disclaimer statement.

#### **D. Patents**

Small business firms normally may retain the principal worldwide patent rights to any

invention developed with government support. The Government receives a royalty-free license for its use, reserves the right to require the patent holder to license others in certain limited circumstances, and requires that anyone exclusively licensed to sell the invention in the U.S. must normally manufacture it domestically. To the extent authorized by 35 USC 205, the Government will not make public any information disclosing a government-supported invention for a reasonable time period to allow the awardee to pursue a patent.

#### **E. Technical Data**

The Government shall have limited rights to use, for government purposes, technical data, including software, developed under the terms of any contract resulting from proposals submitted in response to a DoD STTR solicitation. Further, the Government shall not release such data outside the Government without permission of the contractor for a period of five years from completion of the project from which the data was generated unless the data has already been released to the general public. However, effective at the conclusion of the five-year period, the Government shall retain a royalty-free license for government use of any technical data delivered under an STTR contract, whether patented or not.

#### **F. Marking of Proprietary or Classified Proposal Information**

See the provisions cited in the DoD STTR Program Solicitation for the marking of proprietary or classified proposal information, section 5.3.